

9 FAM APPENDIX P

U.S.-CANADA FREE TRADE AGREEMENT

(TL:VISA-123; 09-08-1995)

9 FAM APPENDIX P, 100 BACK-GROUND

9 FAM APPENDIX P, 101 STATUTORY AUTHORITY

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- a. The primary purpose of the Free Trade Agreement (FTA) is to facilitate trade between the United States and Canada, mainly through the reduction of tariffs and the removal of other trade barriers. Nota bene: The applicability of its provisions was suspended as of the effective date of the coming into force of the North American Free Trade Agreement (NAFTA). Nevertheless, the central concepts set forth herein underlie the equivalent provisions of NAFTA and may provide a useful historical context. For current particulars relating to the entry of Canadians and Mexicans under the terms of NAFTA, see sections 9 FAM 41.31, 9 FAM 41.51 , 9 FAM 41.54 and 9 FAM 41.59 .
- b. Incidental to this primary purpose, it was decided to address immigration issues with the intent of facilitating the movement of business persons between the United States and Canada. What became Chapter 15 was negotiated separately from the rest of the FTA, and, as stated in Article 1505, "no provision of any other chapter of this Agreement shall be construed as imposing obligations upon the Parties with respect to the Parties' immigration measures." Thus, although this chapter was negotiated in the FTA context, it serves essentially as a free standing agreement addressing immigration issues. It is, of course, reciprocal, so that U.S. citizens engaged in business activities receive the same benefits in Canada as those accorded Canadian business persons by the United States.
- c. The FTA constitutes an executive agreement between President Reagan and Prime Minister Mulroney. Giving it effect, however, required the passage of implementing legislation by the respective legislatures and the promulgation of regulations by the various executive branches. The

United States-Canada Free Trade Agreement Implementation Act of 1988 was passed by the House of Representatives on August 9, 1988, and by the Senate on September 19, 1988. On September 28, 1988, the President signed the bill into law (Pub. L. 100-449). After passage in the Canadian Parliament on December 30, 1988, the FTA became effective January 1, 1989.

9 FAM APPENDIX P, 102 STATUS

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Canadians coming to the United States for business purposes may, of course, enter as in the past without visas in B-1 or L-1 status. In addition, those coming under the provisions of the Free Trade Agreement may instead be classified in one of two other categories: treaty trader/investor ("E" status) and FTA professionals ("TC" admittees). The only classification which has a direct impact on the Department of State's regulations and procedures is that necessitating an "E" visa.